

APC Medians Files

Section 1833(t)(2) of the Act provides that, subject to certain exceptions, the items and services within an APC group cannot be considered comparable with respect to the use of resources if the highest median (or mean cost, if elected by the Secretary) for an item or service in the group is more than 2 times greater than the lowest median cost for an item or service within the same group (referred to as the "2 times rule"). We use the median cost of the item or service in implementing this provision. The statute authorizes the Secretary to make exceptions to the 2 times rule in unusual cases, such as low volume items and services.

The files include:

APC number

APC description

APC category (explained below)

Device dependent indicator

APC median cost

HCPCS codes mapped to the APC

Status indicator

HCPCS descriptor

HCPCS median cost -These medians were calculated using preliminary 2004 hospital outpatient claims data, processed to payment as of September 30, 2004.

Single claims frequency--number of times this HCPCS appeared on claims that we used to calculate the unadjusted medians (Refer to

http://www.cms.hhs.gov/providers/hopps/2005fc/2005claims_acct.pdf for a detailed analysis of claims accounting.)

%-level of contribution of the HCPCS code to the APC

Total Frequency-total number of times this HCPCS appeared on claims. We did not use all of these claims to set the medians. (Refer to

http://www.cms.hhs.gov/providers/hopps/2005fc/2005claims_acct.pdf for a detailed analysis of claims accounting.)

The APC Medians files are provided in two different formats:

1) Sorted by APC number, showing the medians for each HCPCS code within the APC, and

2) Sorted by APC category, subcategory and subcategory sequence, also showing the medians for each HCPCS code within the APC.

The first sort (by APC number) is self explanatory.

The second sort by category, subcategory and subcategory sequence is a construction by CMS staff that is intended to facilitate clinical review of the HCPCS and APC medians by grouping the APCs in clinically related groups and subgroups within category and by ensuring that where there are multiple levels with the same APC descriptor, they levels appear contiguous to one another and in order. Ideally, this sort will make it easier for parties who are interested in services related to a particular body system (e.g. cardiovascular) or service category (e.g. radiology) to review the data of interest to them. Moreover it should facilitate CMS clinical review and the determination of how to resolve two times violations with migration to a different APC or creation of a new APC. The category, subcategory and sequence number applicable to each APC is shown for each APC. The category, subcategory and sequence number has no meaning with regard to the weights or payment rates; it is merely a sorting convention.